

FY 2008 FINANCIAL TREND ANALYSIS

FINANCIAL REVIEW – Prior Budgets

Gallatin County, Montana

February 20, 2008

II. Review of Prior Budgets

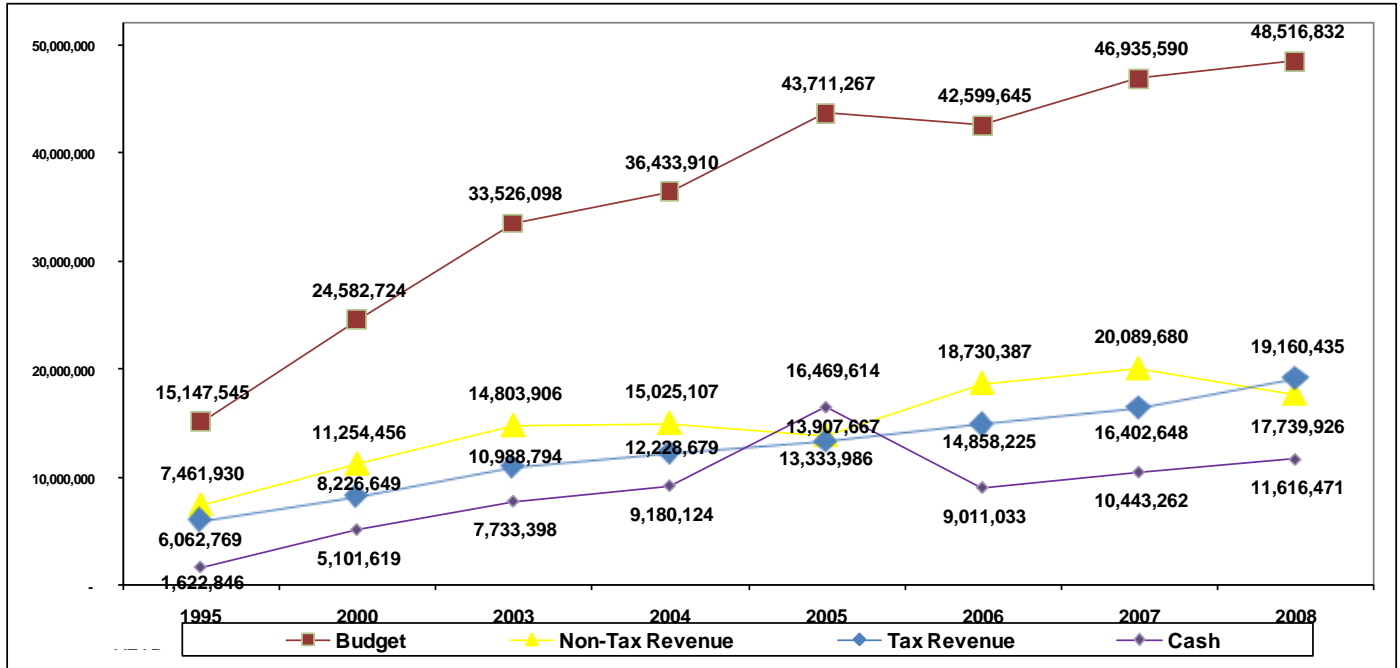
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Review of Prior Budgets

Budgets Vs Actual We spend less than budgeted. We receive more than we estimate.

Gallatin County prepares an annual budget that by State law is balanced with all revenues plus unreserved cash equal to approved expenses. Cash greater than the Operating Reserves pay for a major portion of the budget. With budgets becoming tighter, cash carry over will decrease. The following table shows 7 years of actual information, plus the current year's budget for major tax funds.

Expenditure and Source of Revenue Comparison Budget Factors County Milled Funds



To provide historical perspective, the following section reviews changes in Personnel, Operations, Debt and Capital. The review includes table and graphic presentations for changes in Personnel. The following table shows changes in percentages between Personnel, Operations, Debt and Capital, from 1998 to FY 2008.

<u>YEAR</u>	<u>Personnel</u>	<u>Operations</u>	<u>Debt</u>	<u>Capital</u>
1998	52.96%	34.88%	3.31%	8.85%
2000	48.46	31.08	1.96	18.50
2003	39.96	32.51	2.46	25.07
2004	40.37	30.64	3.71	25.29
2005	37.95	33.00	2.95	26.09
2006	45.23	26.94	3.70	24.14
2007	43.73	26.99	4.09	25.19
2008	47.97	27.81	3.42	20.80

Personnel costs for governments are always a major percentage of total costs. Gallatin County is no exception, however the County has seen a significant decrease in the percentage personnel costs are to total county expenses. In 1998, Personnel equaled 52.96% of the budget. For FY 2008 this has reduced to 47.97%. This change is due to an increase in Capital and Debt budget/expenses not from a decrease in Operations or Personnel.

Gallatin County Financial Plan

PERSONNEL:

The following table recaps the personnel budget for each County Department since 1995.

SUMMARY TABLE OF PERSONNEL (FTE)

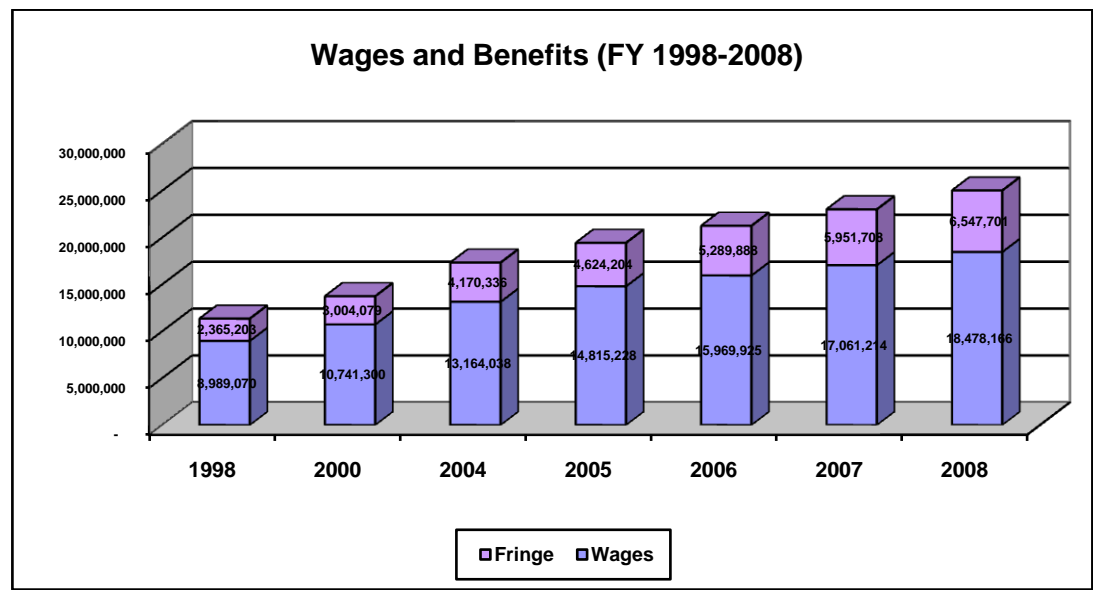
DEPARTMENT / DIVISION	***** BUDGET *****							
	FY 95	FY 2000	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
COMMISSION	4.00	5.00	6.00	5.00	5.00	5.00	5.00	5.00
CLERK AND RECORDER	14.00	14.45	15.60	16.00	16.00	16.00	16.67	17.21
TREASURER	13.00	15.00	16.00	17.26	17.21	17.21	17.21	17.46
AUDITOR	2.00	2.60	3.00	3.00	3.00	2.50	2.00	2.46
ITS	4.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
ATTORNEY	11.00	11.50	10.54	13.00	16.38	16.80	17.00	18.00
JUSTICE COURT	6.50	7.50	8.50	9.50	10.00	10.75	11.00	11.00
HUMAN RESOURCES	3.00	3.25	4.00	5.00	5.00	5.00	5.75	5.75
FINANCE OFFICE	1.00	1.50	2.00	2.00	2.00	2.00	2.00	2.00
GRANT ADMINISTRATION	-	1.50	2.00	2.00	2.00	2.00	2.00	2.38
GEOGRAPHIC SERVICES	-	2.00	2.75	2.75	2.75	3.00	4.00	4.00
COMPLIANCE	-	-	-	1.00	1.00	0.90	1.09	1.10
SUPERINTENDENT OF SCHOOL	2.00	2.00	2.00	2.00	2.00	2.25	2.00	2.00
COURT SERVICES	-	-	-	-	6.00	8.50	10.31	9.90
CLERK OF DISTRICT COURT	9.00	10.00	12.00	13.00	13.00	14.17	15.00	15.00
PLANNING	5.00	7.00	9.00	9.00	9.00	9.00	10.00	10.00
COUNTY ADMINISTRATOR	-	-	-	1.00	2.00	1.50	1.58	2.00
MISCELLANEOUS	-	0.25	0.27	0.27	0.27	0.25	0.25	0.25
SHERIFF	33.90	36.00	42.65	46.40	43.49	47.58	51.35	52.25
CORONER	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
DETENTION CENTER	23.00	21.00	26.50	27.40	33.50	36.00	32.92	33.00
ROAD MAINTENANCE	26.00	25.11	24.85	24.85	24.85	26.60	26.11	26.11
BRIDGE	7.00	7.36	7.36	7.36	7.36	7.36	7.36	7.36
NOXIOUS WEED	1.50	2.00	1.50	2.00	2.00	2.00	2.50	3.40
FAIRGROUNDS	4.00	5.00	6.00	7.00	8.00	8.00	9.34	9.25
PUBLIC DEFENDERS	-	-	-	5.32	10.00	11.00	-	-
PRE TRIAL	-	-	1.00	1.00	-	-	-	-
CITY/COUNTY HEALTH ADMIN.	1.00	1.59	1.69	1.69	2.00	2.00	3.00	2.00
ENVIRONMENTAL HEALTH	6.00	9.41	11.31	11.31	11.00	11.50	11.06	12.06
HUMAN SERVICES - HEALTH	5.87	7.18	6.31	6.25	7.19	6.69	6.85	7.61
HEALTH GRANTS	10.55	9.97	10.39	11.56	11.49	12.24	8.21	10.76
PUBLIC SAFETY GRANTS	4.00	6.00	3.00	3.00	3.00	3.00	6.50	6.50
EXTENSION AGENTS	3.00	3.50	3.50	3.50	3.50	3.75	4.00	4.50
REST HOME	89.18	108.09	88.15	76.21	80.50	90.30	89.80	91.70
FACILITIES	2.00	2.50	2.65	3.65	3.65	4.65	3.62	3.62
SOLID WASTE SYSTEM	-	-	1.50	1.50	8.50	10.50	12.50	16.50
JOINT DISPATCH	20.50	22.18	28.50	28.50	28.50	28.00	28.00	28.63
OTHER	16.97	17.99	9.79	14.99	10.12	11.60	14.77	5.78
TOTAL	329.57	376.03	377.96	392.92	418.91	447.25	448.35	454.19

During this time Personnel has grown from 329.5 in FY 95 to 454.19 for FY 08 (34.6% increase). Population from FY 95 to FY 2006, (the last year population estimates are available), grew from 59,273 to 80,921, (36% increase). New departments include County Administrator 2.00; Grant Administration 2.00; G.I.S. 4.00; Compliance 1.10; Court Services 9.90, and Joint Dispatch 8. In addition, positions funded by Contracts or Grants have increased as follows: Victim Witness 1, Airport Security 4, Big Sky Law Enforcement 3, and Health Grants 1.5 FTE. Departments Eliminated during this time include Youth Probation and District Court. Without these new service areas, employees increased by 23.60%.

COMPARISON 10 YEARS – BUDGETED WAGES AND BENEFITS:

The following graph shows the growth in wages and benefits from FY 1998 through the FY 2008 Budget. The growth comes from four areas. They are:

- 1) Population – as stated previously, population in the county has grown by 36%. New residents have a higher expectation of services from local government which relates to increased demand for services than previously seen in the county.
- 2) Inflationary Increases – indicates costs increased at 28.95% from January 1, 1998 through December 31, 2007;
- 3) Contractual / Grant obligations – the previous page shows the number of positions increased due to contractual / grant obligations as being 9.5 Full time equivalents; and,
- 4) Local Economy – the economy of the county has dramatically changed, requiring payment of higher wages and salaries to retain and recruit qualified employees in all positions.



The four factors stated above resulted in an increase of \$9,489,096 in wages and \$4,182,498 for Benefits for Gallatin County. This equals a two-fold increase for wages and almost a three fold increase in benefits.

Benefits increased greater than wages primarily from an increase in Health insurance from \$1,860 in 1998 to \$6,055/FTE in 2008, a 225% increase. Other factors negatively impacting FTE benefits include a doubling of Unemployment Insurance by the state and increases in Worker's Compensation rates. Fringe Benefit Costs have increased from 26.31% of wages / salaries in 1998 to 35.43% of wages / salaries in 2008.

The County has implemented cost control measures to reduce future increases in Health Premiums. They include early prevention activities, well childcare, payment for flu shots, rewards for staying healthy, Health Fair, doubling of deductibles, and other similar cost reduction actions. For FY 08 this resulted in the County's ability to not increase Premiums for employees or dependents.

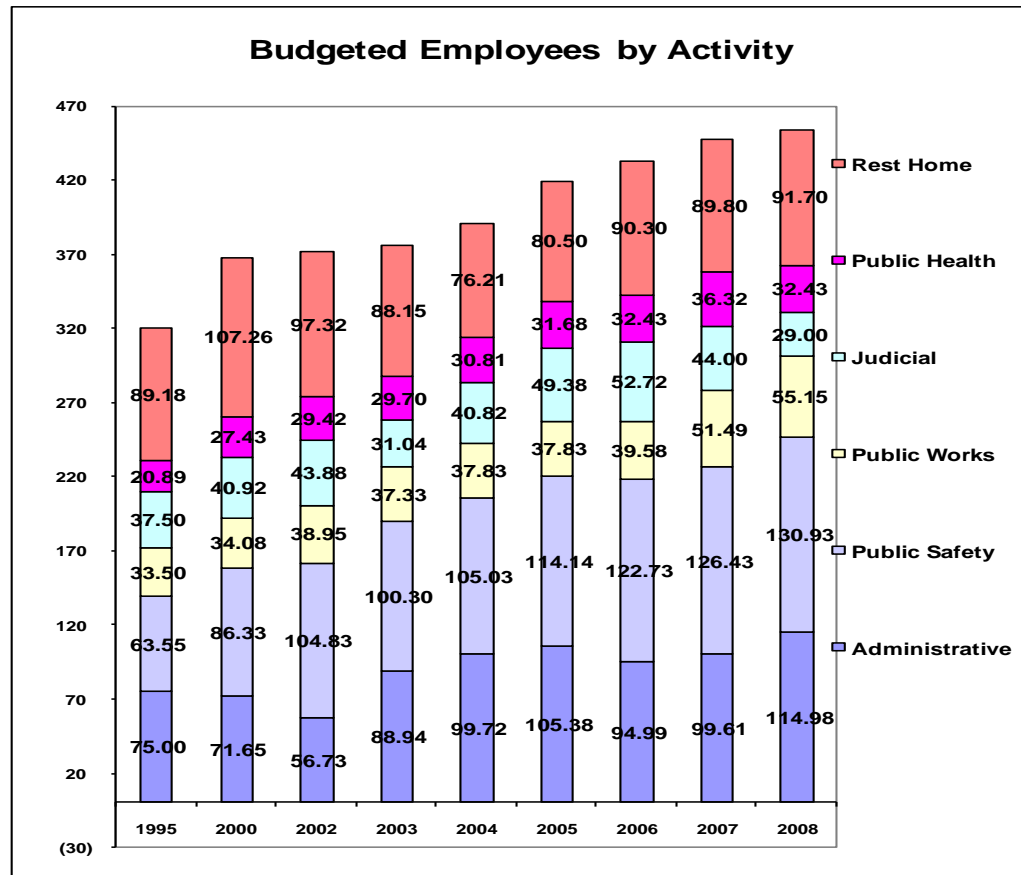
Gallatin County Financial Plan

Historical Staffing Levels:

Full Time Employees graphed By Activity

The impact on staffing has changed over the last eight years with the County experiencing record growth in the last 60 years. The increase in population has brought a more diverse and demanding resident that is accustomed to a higher level of service than previous residents. The new resident wants and expects some or all of the services received in larger metropolitan areas to be available **now, with no increase in taxes**. New residents are under the impression that they are already paying for this higher level of service, and cannot understand a need to increase taxes to support their demands.

Unfortunately staffing levels, graphed below, have not allowed a significant expansion to service levels.



The Budgeted Employees by Activity graph above shows a 32.82% increase in staff from FY 95 through FY 2008. As stated in previous sections, county population has grown from 59,273 in 1995 to a projected 86,343 in FY 08, a 45.67% increase. In addition, the personnel numbers shown above are misleading because of new programs being added to the County. New programs included Enhanced 9-1-1 (22 employees), Grants Department (2.5), Geographic Information Services Department (4), Court Services (10.9), Victim Witness (2) Compliance (1.1), County Administrative Office (2), and grants/contracts associated with the Health, District Court and Sheriff Offices (16). Without these new services employee numbers increased by 23.6%

In comparing departments existing in FY 95 to the number of employees those departments have in FY 08, approximately 16.35% comes from new employees, with

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a number of offices having the same number of employees as in FY 95. This compares to a 45.67% increase in population.

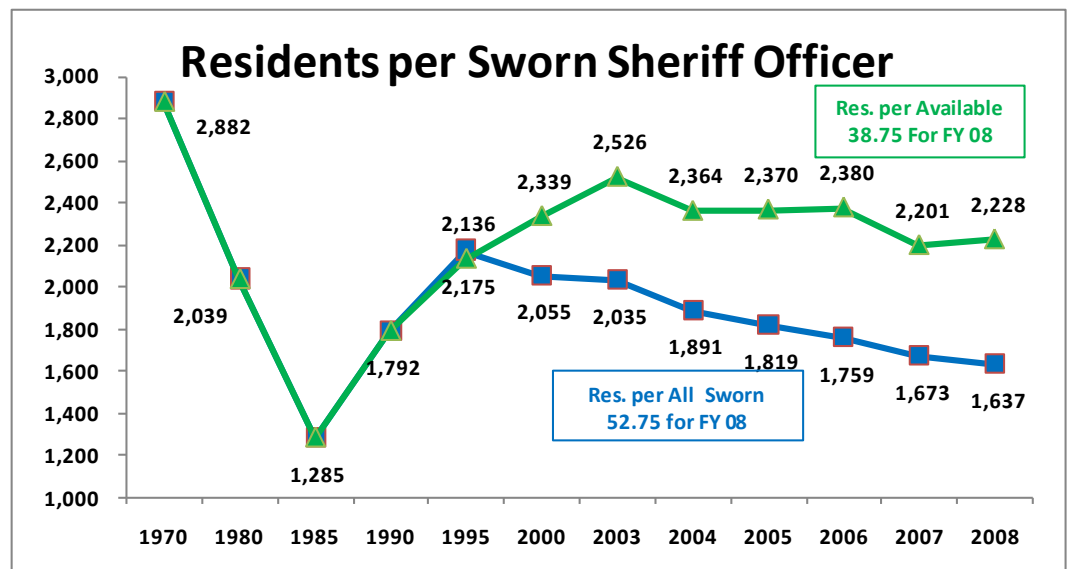
So a question continues - Are Core County services, based on population, actually maintaining service levels for residents of the county?

Sheriff Sworn Officers -----

In evaluating this question, we need to look closer at the preceding graph. It shows Public Safety employees increasing from 64.54 in FY 95 to 132.28 in FY 2008. With sworn officers increasing from 30 in FY 95 and to 51.75 for FY 2008, a 72.50% increase.

As stated before, this is misleading. The Sheriff must assign deputies funded by grants or contracts such as - (1) Freedom From Fear, (2) Missouri River Drug Task Force, (5) Big Sky Resort/Madison County, (1) Detention Center Administrator and (4) Airport security, (1) Misdemeanor Probation, to do the tasks required by the grant or contract. These sworn officers are not available for normal patrol duties. The number of deputies available for normal activities is 37.75, a growth of 6 (29.2%) with population growth being 45.67%.

Currently, each of the AVAILABLE sworn-officers is protecting over 2,228 residents, plus their proportionate share of tourists. The following graph shows the historical number of residents per sworn officer, from 1970 to the 2008 Budget.



The increase in the number of Public Safety employees comes from combining the City and County Dispatch and Records and implementation of Enhanced 9-1-1. This increased the number of employees from 7.50 in FY 96 to 28.63 employees in FY 2008. The addition of new activities paid from grants or contracts added 15 full time employees.

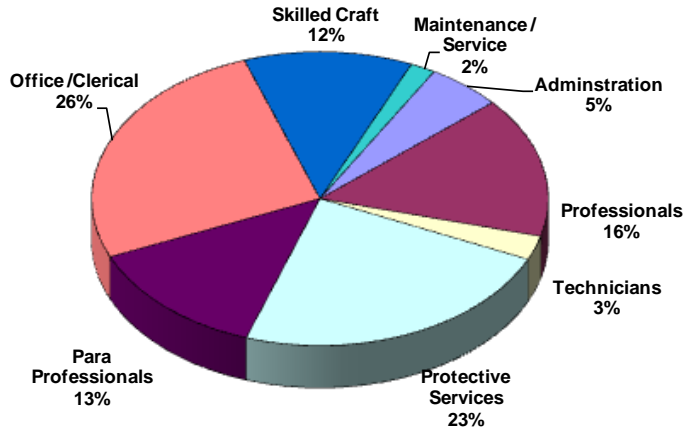
In addition, grant revenues tend to decrease over time or not fully support the cost of the activity through Administrative Costs, Capital Costs and Operating costs. This causes Public Safety Revenues being earmarked to support grant activities. A good example is for FY 08 the Missouri River Drug Task Force may see a decrease in Board of Crime Control funding, unless the state replaces federal funds. This may require the elimination of this activity or the funding of part or all of the two deputies and one support staff from County Sources.

Gallatin County Financial Plan

Changes in Type of Personnel

The two graphs that follow are taken from the EEO report prepared by the County Human Resources Office on a yearly basis. The report shows the type of Personnel hired for a Fiscal Year. The two graphs are from the 1995 and the 2007 EEO reports. The graphs do not include seasonal, part-time or temporary employees. The graphs show a change in hiring from Para-Professional to Office /Clerical and Maintenance, with Protective Services increasing by 8% between the two years.

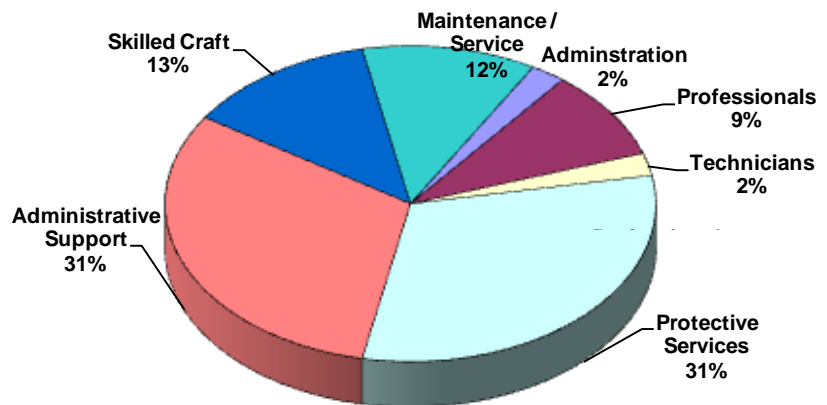
Hiring Data - Type of employees 1995



The information in these graphs is based on hiring during the year. Unfortunately this may include the hiring of the same position over and over again. The County had 434 full time employees on the payroll at the time of the EEO report. During the 2007 fiscal year the county hired 87 employees. This would give the county a 20% turnover rate. However, with the detention officers representing 16 hires out of 29 positions the turnover rate would be 55%, but the number of positions filled was actually 10. They just turned over multiple times. Using

the 6 positions, we have a more accurate turnover rate of 35% for Detention Officers.

Hiring Data - Type of employees 2007



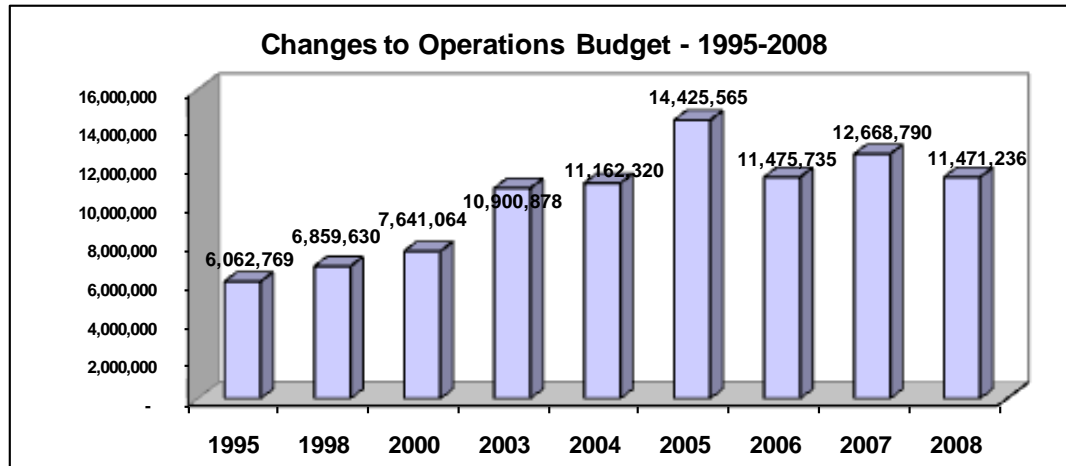
The following table shows successfully hired employees by type in each year:

People Hired by year	FY 95	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Administrators	4	4	1	0	1	0	2
Professionals	11	7	9	13	13	9	8
Technicians	1	3	2	0	0	2	2
Protective Services	7	16	22	12	20	19	27
Para-Professional	10	-0-	-0-	1	-0-	-0-	0
Admin. Support	13	24	24	25	21	20	27
Skilled Craft	6	2	7	5	9	5	11
Maintenance/ Service	0	14	8	5	13	10	10
TOTAL	52	70	73	61	77	65	87

This completes a review of Personnel, Employer Contributions and Wages. The next area reviews changes in Operations over the last 10 years.

OPERATIONS:

Operational costs, as seen in the graph below, have a great degree of variance from year to year. The significant increase of \$2.7 million in FY 2005 is attributed to the sale of county property and the transfer of the revenue generated from the General Fund to the Capital Projects fund.



Overall, operating costs have not kept up with the rate of inflation when new programs or mandates are taken into consideration. New programs or mandates include Court Services \$487,651 (Re-Entry \$286,000 of the increase), Detention Center inmates at other facilities \$500,000, Detention Center Medical \$260,000 and Rest Home Bed Tax to State of Montana \$257,508. The decrease in FY 08 from FY 07 results from the elimination of the one-time transfer of \$850,000 for close out of District Court and \$450,000 in one time expenses associated with projects. FY 08 Budget is below the FY 06 Operational Budget.

Operating Costs have grown from \$6.9 million in 1998 to \$11.5 million in 2008. This is a 67% increase over 10 years. Inflation has grown at 29%, with Population increasing at 36%. Areas that have seen the largest change include:

FUEL / INSURANCE: The following is a comparison of Fuel and Insurance costs for the Road and Sheriff Departments during this period of time:

<u>ROAD</u>			<u>SHERIFF</u>	
<u>YEAR</u>	<u>Fuel</u>	<u>Insurance</u>	<u>Fuel</u>	<u>Insurance</u>
1997	100,882	41,377	34,486	25,230
2000	115,661	40,338	47,072	49,207
2003	139,220	45,735	65,195	49,785
2004	163,753	53,098	74,608	72,853
2005	222,899	55,931	89,320	72,900
2006	298,306	59,990	110,150	74,051
2007	310,253	53,784	121,333	73,794
Budget 2008	344,982	64,637	100,000	74,096
Percent Change 97-07	208%	30%	251%	192%

The table shows fuel costs have increased over 200%, even with increased fuel-efficient engines. A partial factor may be an increase in the fleets, but this only accounts for a part of the increase. The change in Insurance is variable because law enforcement costs increase at a faster percentage than other areas due to utilization for vehicle repairs and known risks.

Gallatin County Financial Plan

Utilities – Cost of Utilities have seen a significant increase in the last 8 years, with the biggest increases to be felt in FY 08. The Information that follows shows the changes in the Road, Fair and Facilities gas and electric costs for the period FY 2000 through FY 2007 for actual expenses and the FY 2008 Budget:

	Road	Fair	Facilities
2000	12,433	42,049	125,471
2001	16,479	54,985	146,394
2002	14,609	50,345	141,620
2003	15,774	52,692	152,332
2004	24,435	63,654	195,020
2005	23,715	62,332	210,247
2006	29,831	82,801	251,801
2007	26,441	54,515	245,861
FY 08 Budget	32,000	60,092	275,629
change 00-07	113%	30%	96%
change 00-08	157%	43%	120%

Contracts – Detention medical costs have increased dramatically during this period. Costs for FY 2000 are higher than the periods before due to a claim costing over \$80,000. Without this claim costs have increased by 239%. Costs from FY 2004 forward include a contract for a Physician Assistant, Registered Nurse and professional support at the Detention Center. This has helped control costs and decreased problems with inmates.

	Detention	Library	Senior	Mental
	Medical	Contracts	Programs	Health
2000	165,010	445,290	107,508	50,481
2001	79,015	487,400	116,957	50,463
2002	141,357	519,089	117,508	76,415
2003	171,332	545,043	139,301	79,831
2004	197,535	546,678	149,185	99,000
2005	214,265	571,678	150,905	195,000
2006	281,094	598,544	165,890	199,727
2007	317,970	625,410	192,076	210,697
FY 08 Budget	260,000	650,426	216,700	215,075
change 00-07	93%	40%	79%	317%
change 00-08	58%	46%	102%	326%

Library Contracts have increased based on taxable valuation changes. The amount shown does not include the county's repayment of up to \$140,000 per year for the library loan. This loan was used to support construction of the new library in Bozeman, expansion of the Belgrade Library, relocation of the West Yellowstone Library and capital improvements in the Manhattan and Three Forks Libraries.

Senior Programs have increased by taxable valuations plus costs that were justified. These include transportation costs associated with the Galavan and West Yellowstone Galavan programs, and expansion of Senior Citizen programs to maintain needed programs during times of static support from other areas.

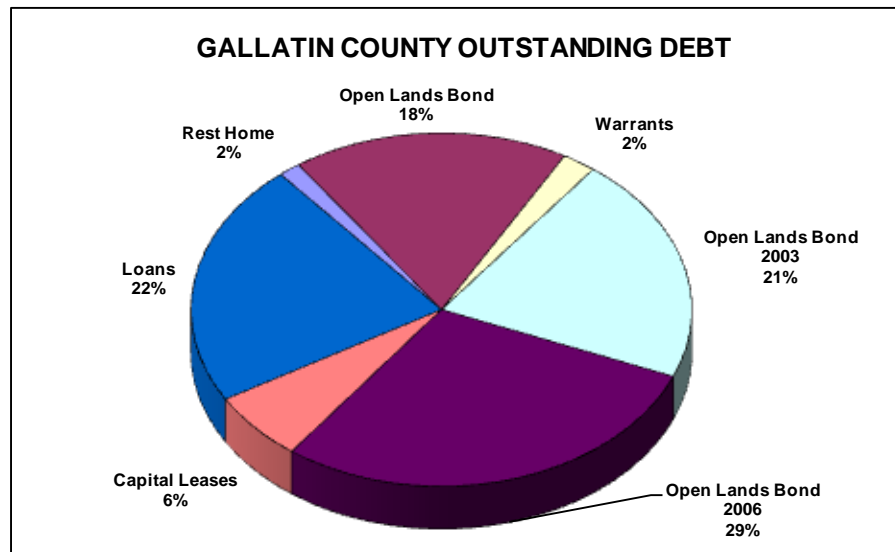
Mental Health support has expanded significantly from FY 2000 when support was limited to \$1 per person based on the 1990 Census. Today, County support includes the allocation of \$1 per person based on the 2000 Census, plus \$100,000 for crisis stabilization and weekend coverage and \$30,000 for Adult Case Management. Support also includes \$24,000 per year for youth needs. The next section covers changes in County Debt.

DEBT:

Gallatin County is relatively debt free. County Voters have approved 3 bond issues in the last 20 years. They are - Rest Home for \$1,490,000 in 1989, Open Space in 2001 for \$10,000,000 and Open Space in 2005 for \$10,000,000. Voters rejected two bond proposals for a new Detention Center. Standard and Poor's gave the County an A+ rating which projects a positive financial standing of the county.

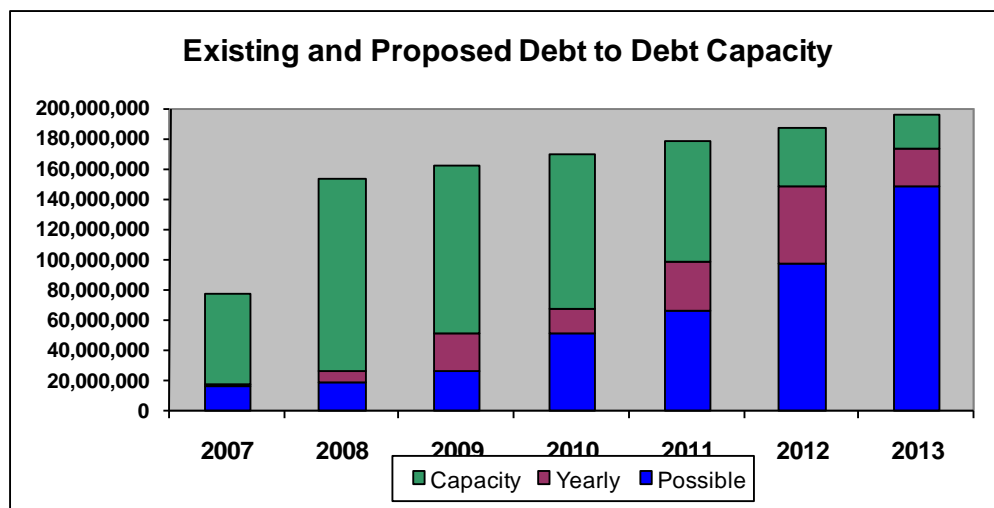
Outstanding Debt

Below is a pie chart representing the county's outstanding indebtedness by purpose. Despite several categories of outstanding debt reflected, Gallatin County actually has a relatively low level of outstanding debt, which is more fully described below & on the next page.



Debt Capacity

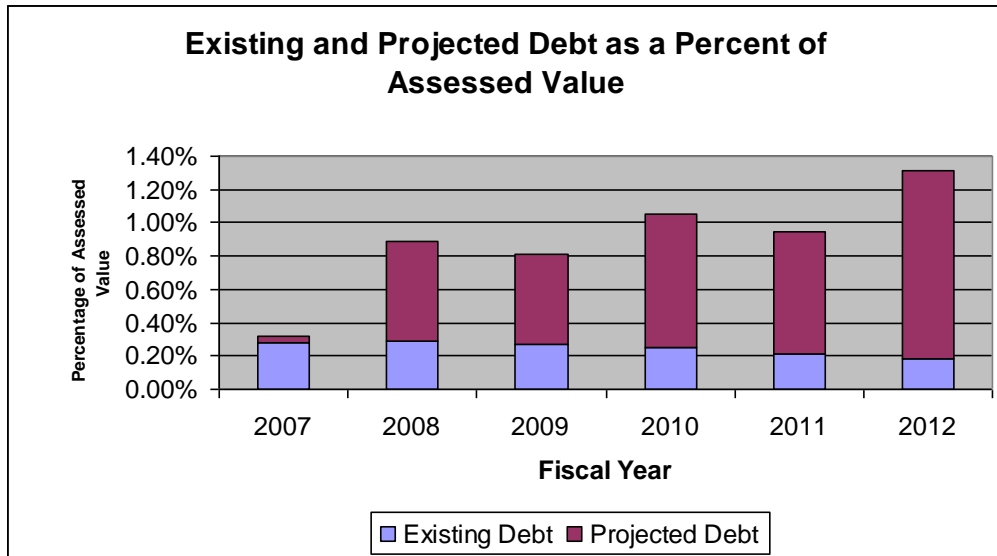
The following bar chart shows the county's existing debt, possible debt, and a projection of the county's projected debt capacity (legal debt limit) for the budget year and five years beyond. The graph shows that, even if all possible bond issues were approved, the county could have debt capacity remaining. Provided voters approve debt requests, projects are funded as recommended and appraised values increase as estimated. This reflects the philosophy of the County Commission to hold down the level of debt on taxpayers, despite the county's rapid development and growing population.



Gallatin County Financial Plan

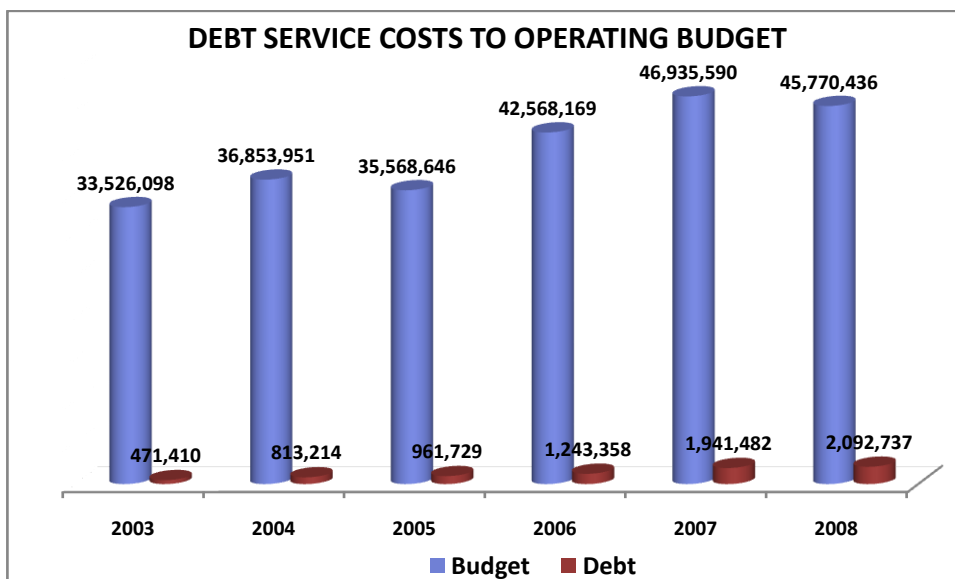
Debt as a Percentage of Assessed Value

The graph below shows County debt as a percentage of assessed valuation. In essence, this reflects the county's debt as compared to the wealth of the county. This shows the proposed new debt in relation to the outstanding debt—both well within the 2.50% statutory limit of Assessed value of the County.



Debt Service Costs Contrasted with the County's Operating Budget

Another way Rating agencies look at Counties is to compare Debt payments (principal and interest) to the total Operating Budget to see if an entity is carrying a high debt load. The graph below illustrates the County's debt in relation to its operating budget. Debt payments by the county are a small fraction of its operating budget. This reflects the County's efforts to keep debt service payments at a manageable level.



CAPITAL:

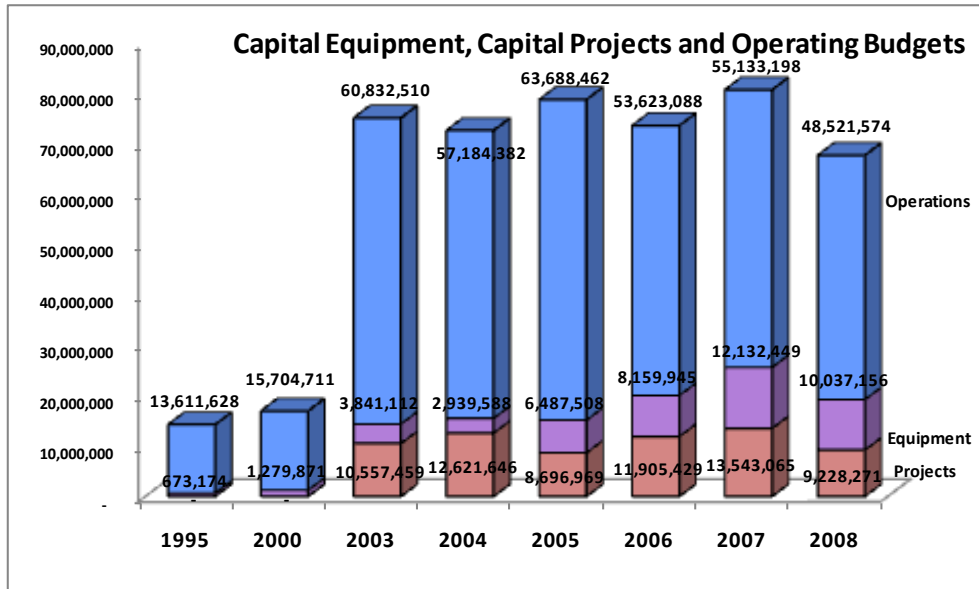
Gallatin County is committed to adequately fund the capital needs of departments and facilities. This is a major change from 10 years ago when capital equipment was replaced on an intermittent basis with little consideration to a systemic replacement schedule. The County now has replacement schedules for a significant number of ongoing capital needs. The Sheriff's vehicle schedule is funded on a 5-6 year schedule, Computers are on a 4 year schedule, Computer infrastructure (routers, controllers, servers) are on a 5-6 year schedule, copiers are on a copy replacement schedule, road graders are on a 5 year lease program, and the County Voice/Data (VOIP) system is on a 5-8 year replacement schedule.

To insure consideration of all costs associated with discussion on new positions, the county now requires requests for new positions to include Personnel, Operations, Space and Capital costs for each position. This has allowed the County Commission to look at the potential total costs for a position instead of having to fund operations and capital needs associated with positions on a piece-meal basis.

CAPITAL EXPENDITURES CONTRASTED WITH TOTAL COUNTY OPERATING EXPENDITURES

The investment by the county in its capital and infrastructure is of primary importance to insure the long-term viability of service levels. The amount of capital expenditures in relation to the total county budget is a reflection of the county's commitment to this goal.

Gallatin County strives to provide for adequate maintenance of facilities / equipment and for their orderly replacement. The graph below illustrates Gallatin County's historical investment in capital. The graph depicts actual capital expenditures and capital projects as part of the county budgets. The graphs show budgets over the last six years.



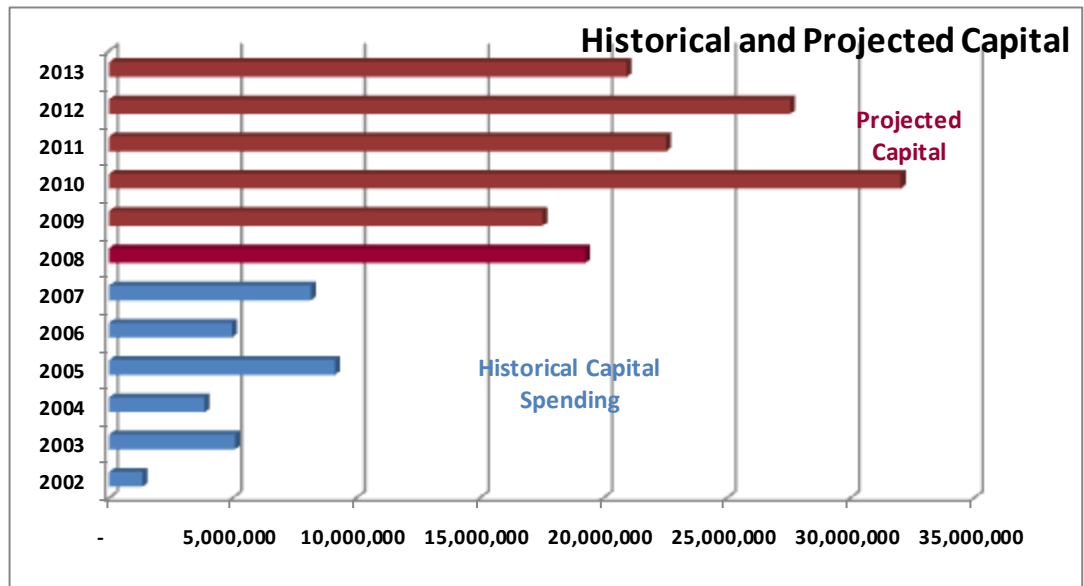
The Graph depicts the amount budgeted- not the amount actually spent. The difference in capital items can be significant. The budget to actual difference is significant primarily because of the County's reserving capital money for several years to fund a project. This includes the County Road Shop, E.O.C./ Search and Rescue Building, Courthouse Remodel, Copier replacement and Voice / Data System Replacement- Enhancement.

The County also budgets for projects that are actually constructed over multiple years. Examples of these projects include the Courthouse remodel, Courthouse Annex purchase and Remodel, E.O.C. / Search and Rescue Building, Fairground improvements and Detention Center improvements.

Gallatin County Financial Plan

CAPITAL IMPROVEMENT PROGRAM (NEXT FIVE YEARS) CONTRASTED WITH HISTORICAL CAPITAL SPENDING (PREVIOUS FIVE YEARS)

Another indicator of Gallatin County's commitment to providing for the adequate maintenance of facilities and equipment and for orderly replacement is the level of projected capital spending over the next five years as compared to the previous five-year period. The next graph shows historical capital spending (last five years) with the capital spending identified in the Capital Improvement Program (the next five years).



Readers should note that Historical Capital Spending indicates actual expenses for the year - not costs of Projects included in the CIP Program. This is significant for most years. As an example, FY 2006 shows expenditures of \$5.7 Million. The approved Capital Projects and Capital Equipment Budget was \$21 million.

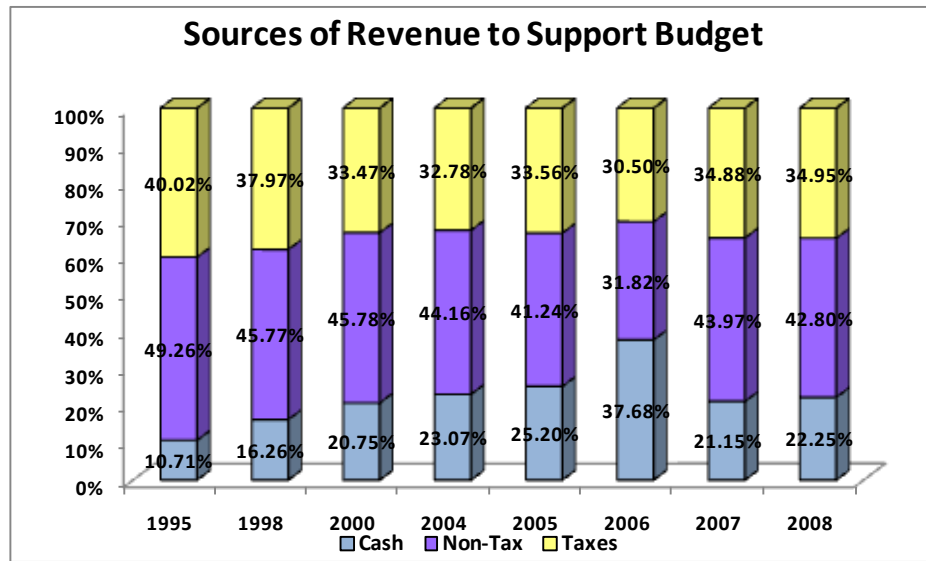
Also, readers should know that Proposed CIP Projects included above are separated into years, but the FY 08 Budget incorporated all projects from 2009 through 2013. This comes to approximately \$85,871,233.

The last area reviewed on budgets shows changes in Revenues over the same Fiscal Years referenced for expenditures.

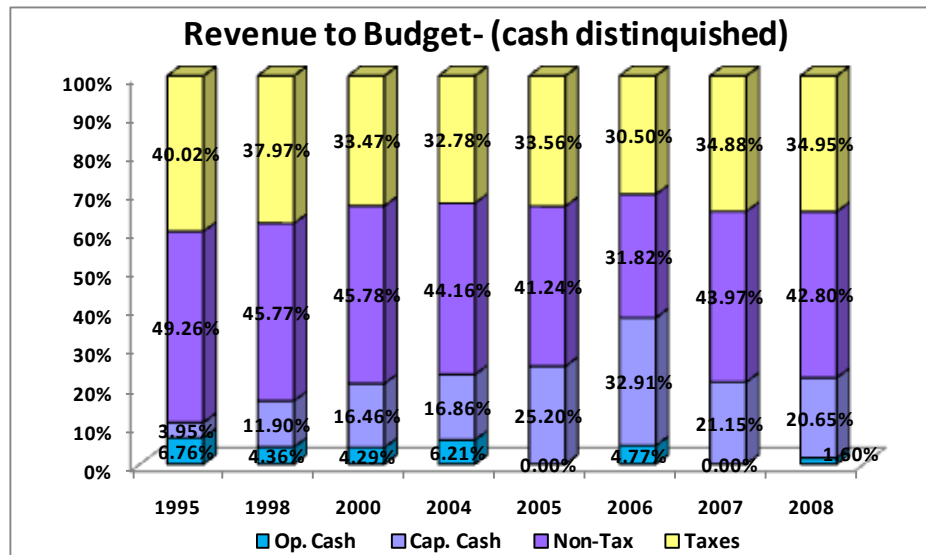
REVENUES

The County uses 6 major funding sources (revenue sources) to fund the approved budget. The Revenue Sources are Taxes, Licenses and Permits, Intergovernmental Revenue, Fines/Forfeitures, and Interest / Other. Expenses are funded through Tax Revenues, Non-Tax Revenues and cash re-appropriated to fund the current budget.

A comparison of Revenue Sources for 1995 through 2008 Budgets show a decrease from 40.02% to 34.95% on the County's reliance on tax revenues. During this time, the County decreased Non-tax sources from 49.26% to 42.80%. The only source showing an increase is cash utilized to balance the budget, which increased from 10.71% to 22.25%. However, the majority of cash is used to fund Capital Outlay / Capital Purchases, not ongoing Operational Expenses.

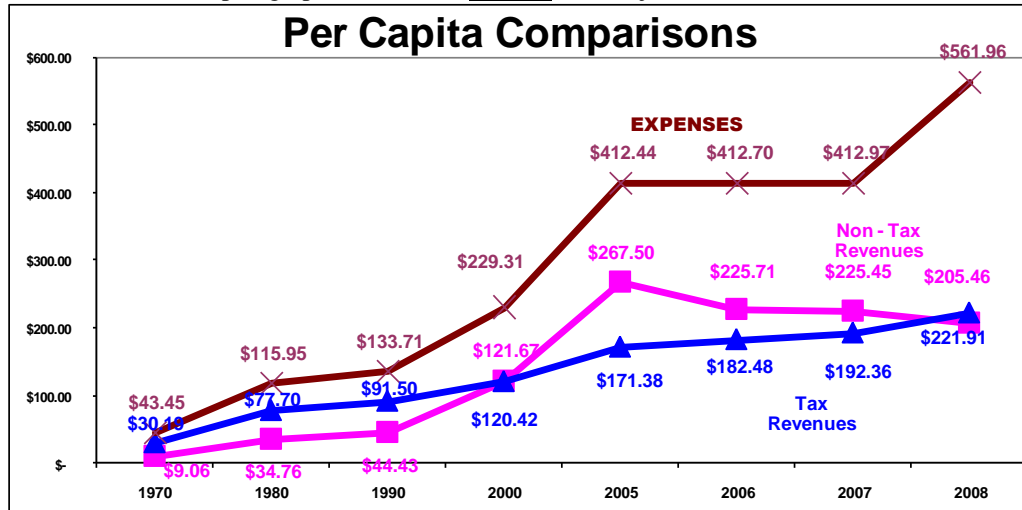


A more accurate view of Revenue Sources is shown in the graph that follows. This graph distinguishes between cash used to fund Operations (Op. Cash) and cash used to fund Capital (Cap. Cash). In FY 2008, cash supported only 1.60% of Operations.



Gallatin County Financial Plan

The Per Capita graph that follows has not been adjusted for inflation.



The cost per person for actual expenses in the last 36 years has increased from \$43.45 in 1970 to \$412.97 in 2007, a nine-fold increase. The FY 08 Budget has \$563.07 per person which would equal a 13-fold increase. However, a significant portion of the budget is for capital reserves and other activities not expected to happen in FY 08.

Actual Tax Revenues have changed from \$30.19 per person to \$192.36 during this same time, a 6-fold increase. With FY 08 taxes projected at \$221.84, the increase from 1970 is a 7.38-fold increase. Non-Tax Revenues started at \$9.06 per person and are now at \$225.45 for FY 07, with FY 08 estimated at \$205.46 per person. This is a 24.84-fold increase from FY 97 to FY 07 and a 23-fold increase is projected for FY 08. The 1970 through 2007 numbers are based on actual taxes, revenues and expenses, while the FY 2008 numbers come from Estimated or BUDGETED revenues and expenses. Actual expenses will be significantly lower than the \$561.96 shown for 2008 Budget. AS AN EXAMPLE: The amount budgeted for FY 2000 was \$314.15, (27% above the amount actually spent) with the amount budgeted for FY 2001 being \$344.10, (22% above the amount actually spent). Based on these calculations the actual FY 08 expenses will be between \$449 and \$519 per person.

Gallatin County's Taxable Value increased from \$94,965 in FY 1995 to the \$196,866 in FY 2008

	<u>Taxable Valuation</u>	<u>1 yr %</u>	<u>2 yr %</u>
Base Year 1995	94,965		
1996	101,149	6.51%	
1997	107,513	6.29%	13.21%
1998	112,346	4.49%	11.07%
1999	117,800	4.85%	9.57%
2000	118,618	6.94%	5.58%
2001	117,796	(.01)%	0.00%
2002	124,219	5.45%	4.72%
2003	133,587	7.54%	13.41%
2004	144,665	8.29%	16.45%
2005	154,680	6.92%	15.79%
2006	166,682	7.76%	15.21%
2007	181,081	8.63%	17.07%
2008	196,866	8.71%	18.11%

The Average increase for ten years is 7.52% on a yearly basis.

This completes a review of prior and current year's budget. The next section gives the reader a Summary of the County's Financial Condition, based on the information in the first two sections. The Finance Office has collected projections from available sources to validate its findings.